

Coming to terms on new city taxi

Compromise with Yellow Cab brings Midland firm a step closer to Downtown

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By Jonathan D. Silver, Pittsburgh Post-Gazette

Felix Szczepanski, owner of J.B. Taxi and its 10-cab fleet in Midland, came to the hearing in a T-shirt, shorts and sandals. He was accompanied by his wife and two daughters, who waited for him in the hall.

Jamie Campolongo, president of Yellow Cab Co. and its 290-taxi fleet, arrived in a suit. He was just back from Bermuda.

In the annals of corporate competition, this was definitely a David-vs.-Goliath moment, small upstart versus big business, grass-roots versus establishment. Mr. Szczepanski wants to expand into Allegheny County; Mr. Campolongo wanted to block him to protect Yellow Cab's interests.

The businessmen met Monday to do battle at the state Public Utility Commission's Downtown offices, with its commanding view on the 11th floor of the Point and the bridges traversed by Yellow Cab's taxis.

After an hour of behind-closed-doors negotiating, they left with an agreement in principle, each side giving some ground and bringing another small taxi service one step closer to operating in Pittsburgh.

"I'm pleased that my client is making progress," Mr. Szczepanski's attorney, David W. Donley, said at the end of the proceeding before Administrative Law Judge John H. Corbett Jr. "What Pittsburgh needs now is more small players."

Mr. Campolongo and his attorney Ray Middleman agreed to drop protests to J.B. Taxi's expansion by Yellow Cab and affiliated companies.

In exchange, Mr. Szczepanski agreed to limit himself to 10 taxis operating in the same area as Yellow Cab -- roughly a 10-mile radius from the Allegheny County Courthouse. He agreed to not service Pittsburgh International Airport as well as several suburbs and waived the right to seek additional rights in Allegheny County.

Mr. Szczepanski also agreed to some financial terms, including giving Yellow Cab first crack at buying his service for no more than \$10,000 if he fields an offer to sell.

"They're stringent," Mr. Szczepanski said later in the day, "but I'm OK with that. I feel there's a lot of little holes we can fill."

Indeed, Mr. Szczepanski, who already operates in Beaver, Lawrence and Mercer counties, wants to focus on short trips. He believes that type of service is sorely lacking in Pittsburgh.

Mr. Campolongo, who protests every attempt by a taxi company to start service in Pittsburgh, as is his prerogative under the rules of the Public Utility Commission, said he was content with Mr. Szczepanski's concessions.

"He got the deal he asked for. I don't know what more we can do," Mr. Campolongo said.

His attorney, Mr. Middleman, added, "It was a reasonable business deal to do. It's a compromise that works for both, and if he thinks he can make a go of it with 10 cars, let him try."

Even with a meeting of the minds earlier this week, Mr. Szczepanski is just at the beginning of the road to operating in Allegheny County. The attorneys must put their agreement in writing and send it to the judge for review within two weeks.

If the judge approves, the case will be transferred to the commission's bureau of transportation and safety for review. Mr. Szczepanski will still need to make a case that there is a need in Allegheny County for the type of service he wants to offer.

For that he will count on testimony from people such as Todd Kilgore, 31, who appeared at the proceeding. Mr. Kilgore, a commercial printer who lives Downtown, said he has tried to get home by Yellow Cab numerous times after going out for drinks or to hear live music.

He said he finally got fed up after waiting hours for taxis that never showed up in places such as Lawrenceville and Millvale. One time, Mr. Kilgore recalled, a bartender drove him home. Another, he had to rely on band members.

Mr. Donley will end up taking written testimony from Mr. Kilgore and others and forwarding it to the commission.

Even if Mr. Szczepanski proves to the commission's satisfaction that he can fill a niche, Mr. Campolongo wonders whether his competitor will stick to the plan.

In the hallway after the proceeding, Mr. Campolongo was skeptical about Mr. Szczepanski's avowed desire to handle short trips to grocery stores and similar types of fares instead of focusing on runs to the airport or distant suburbs.

Will Mr. Szczepanski's drivers respond to callers in Wilkinsburg or East Liberty, especially with Downtown and the North Shore on the verge of booming with casino traffic? He thinks not.

"They're going to be Downtown at the hotels," Mr. Campolongo predicted.

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